

September 29, 2003

Rick Olsen, General Manager
Canyon Fuel Company, LLC
P.O. Box 1029
Wellington, Utah 84542

Re: Chapter 2 & 3 Revisions, Canyon Fuel Company, LLC, Soldier Canyon Mine,
C/007/0018, Task ID #1665, Outgoing File

Dear Mr. Olsen:

The above-referenced amendment has been reviewed. There are deficiencies that must be adequately addressed prior to approval. A copy of our Technical Analysis is enclosed for your information. In order for us to continue to process your application, please respond to these deficiencies by December 29, 2003.

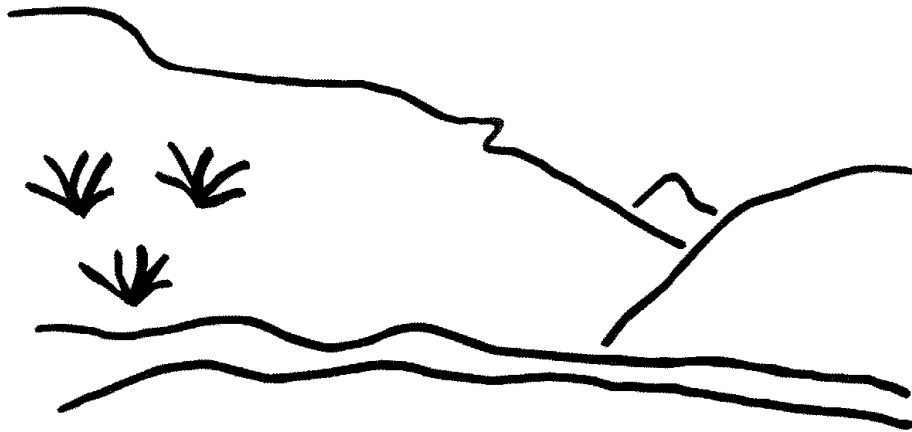
If you have any questions, please call Wayne Western at (801) 538-5263 or me at (801) 538-5268.

Sincerely,

Pamela Grubaugh-Littig
Permit Supervisor

an
Enclosure
cc: Price Field Office
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State of Utah



Utah Oil Gas and Mining

Coal Regulatory Program

Soldier Canyon Mine
Chapter 2 & 3 Revisions
C/007/0018, Task ID #1665
Technical Analysis
September 29, 2003

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TECHNICAL ANALYSIS

TECHNICAL ANALYSIS

The Division ensures compliance with the Surface Mining Control and Reclamation Act of 1977(SMCRA). When mines submit a Permit Application Package or an amendment to their Mining and Reclamation Plan, the Division reviews the proposal for conformance to the R645-Coal Mining Rules. This Technical Analysis is such a review. Regardless of these analyses, the permittee must comply with the minimum regulatory requirements as established by SMCRA.

Readers of this document must be aware that the regulatory requirements are included by reference. A complete and current copy of these regulations and a copy of the Technical Analysis and Findings Review Guide can be found at <http://ogm.utah.gov/coal>

This Technical Analysis (TA) is written as part of the permit review process. It documents the Findings that the Division has made to date regarding the application for a permit and is the basis for permitting decisions with regard to the application. The TA is broken down into logical section headings, which comprise the necessary components of an application. Each section is analyzed and specific findings are then provided which indicate whether or not the application is in compliance with the requirements.

Often the first technical review of an application finds that the application contains some deficiencies. The deficiencies are discussed in the body of the TA and are identified by a regulatory reference, which describes the minimum requirements. In this Technical Analysis we have summarized the deficiencies at the beginning of the document to aid in responding to them. Once all of the deficiencies have been adequately addressed, the TA will be considered final for the permitting action.

It may be that not every topic or regulatory requirement is discussed in this version of the TA. Generally only those sections are analyzed that pertain to a particular permitting action. TA's may have been completed previously and the revised information has not altered the original findings. Those sections that are not discussed in this document are generally considered to be in compliance.

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TECHNICAL ANALYSIS

INTRODUCTION

INTRODUCTION

On September 5, 2003, the Division received an amendment for the removal of references to the refuse pile and preparation plant at the Soldier Canyon Mine because the Permittee will not construct those facilities. In addition, the amendment deals with changes in the reclamation plan - so that the Permittee can use updated reclamation procedures.

When the Division reviewed the amendment that dealt with removing references to the refuse pile and preparation plant from the engineering section they discovered that the backfilling and grading plan calls for disposing of 20,000 cubic yards of excess material from the mine area at the refuse pile. Before the Division can approve the removal of the refuse pile, the Permittee must develop a plan for the disposal of the excess material.

INTRODUCTION

OPERATION PLAN

OPERATION PLAN

VEGETATION

Regulatory Reference: R645-301-330, -301-331, -301-332.

Analysis:

The Permittee stated in the amendment cover letter that some changes to the vegetation reclamation plan would be made to conform to current reclamation practices. However, the Permittee also included changes to the vegetation section of the operation plan that have nothing to do with conforming to current practices.

The Permittee wants to remove references to baseline information in Section 3.33. The Permittee needs to state why this information should be removed because this information is not related specifically to the refuse pile, preparation plant, or current vegetation practices.

The Permittee wants to remove a commitment about fertilizers and pesticides, which are not specific to the refuse pile, preparation plant, or current reclamation practices. Concerning pesticides, it may be best to incorporate the same wording on page 3-17 in the Operations section.

It is unclear to the Division why the Permittee has removed several paragraphs in this section, such as paragraphs in pages 3-11 through 3-35. The Permittee must provide clear and concise reasons why the removal of these sections related to the refuse pile, preparation plant, or current vegetation practices.

Findings:

Information provided in the amendment is not considered adequate to meet the minimum requirements of this section of the regulations. Before approval, the Permittee must provide the following in accordance with:

R645-301-330 and R645-301-121.200, The Permittee must show how the proposed changes to the vegetation section of the operation plan pertain only to the removal of the refuse pile and preparation plant or provide information on how those changes will result in updating the operation plan to conform to current practices.

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GENERAL REQUIREMENTS

Regulatory Reference: PL 95-87 Sec. 515 and 516; 30 CFR Sec. 784.13, 784.14, 784.15, 784.16, 784.17, 784.18, 784.19, 784.20, 784.21, 784.22, 784.23, 784.24, 784.25, 784.26; R645-301-231, -301-233, -301-322, -301-323, -301-331, -301-333, -301-341, -301-342, -301-411, -301-412, -301-422, -301-512, -301-513, -301-521, -301-522, -301-525, -301-526, -301-527, -301-528, -301-529, -301-531, -301-533, -301-534, -301-536, -301-537, -301-542, -301-623, -301-624, -301-625, -301-626, -301-631, -301-632, -301-731, -301-723, -301-724, -301-725, -301-726, -301-728, -301-729, -301-731, -301-732, -301-733, -301-746, -301-764, -301-830.

Analysis:

The amendment, submitted on September 5, 2003, is based on the assumption that the references to the refuse pile and preparation plant could easily be removed from the mining and reclamation plan. However, during a review of another amendment that involves engineering and bonding issues related to the refuse pile and preparation plant the Division found that the backfilling and grading plan requires that the Permittee ship 20,602 cubic yards of excess fill material to the refuse pile for permanent disposal.

Since the Permittee did not address that issue the Division cannot approve this amendment. The issue of where the 20,602 cubic yards of material will be shipped is addressed in the backfilling and grading section of the TA.

Findings:

The information in the amendment is adequate to meet the minimum requirements of this section of the regulations.

BACKFILLING AND GRADING

Regulatory Reference: 30 CFR Sec. 785.15, 817.102, 817.107; R645-301-234, -301-537, -301-552, -301-553, -302-230, -302-231, -302-232, -302-233.

Analysis:

General

The removal of the refuse pile was based on the assumption that facility would not be needed because coal would not be washed. However, the refuse pile is needed to dispose of 20,000 cubic yards of excess cut material that will occur in that the mine site during final

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reclamation. The Permittee needs to address where the excess cut material will go before the Division can approve this amendment.

Findings:

The information in the amendment is not considered adequate to meet the minimum requirements of this section of the regulations. Before approval, the Permittee must provide the following in accordance with:

R645-301-542.200, The Permittee must develop a plan for the placement of 20,000 cubic yards of excess cut material that will come from the mine area during final reclamation. Without that information, the Division cannot approve the removal of the refuse pile from the mining and reclamation plan.

REVEGETATION

Regulatory Reference: 30 CFR Sec. 785.18, 817.111, 817.113, 817.114, 817.116; R645-301-244, -301-353, -301-354, -301-355, -301-356, -302-280, -302-281, -302-282, -302-283, -302-284.

Analysis:

Revegetation: General Requirements

The Permittee wants to remove references to the refuse pile and preparation plant since those facilities will not be built. The Permittee also wants to modify the vegetation section of the reclamation plan so that it will be based on current vegetation practices (cover letter). The Division does encourage permittees to update reclamation plans that will incorporate new, more effective techniques.

There are several sections in the vegetation portion of the reclamation plan that the Permittee wants to modify that do not pertain directly to the refuse pile, preparation plant, or updating revegetation methods and practices.

For example, the Permittee wants to remove commitments about grazing on reclaimed areas during the ten-year liability period. The Division is not sure why those commitments were removed because grazing has nothing to do with the refuse pile, preparation plant, or updating reclamation practices.

The Permittee also removed commitments such as using only certified noxious weed free seed and meeting the requirements of Utah and federal requirements for poisonous and noxious

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plants and introduced species. The Permittee must address changes in comments relating to seed selection and rhizobium inoculation.

The Permittee must address changes in comments relating seedlings, mulch, erosion control matting, care of delivered materials,

The Permittee must correct the statement on page 3-16 that relates to seeding rate. The removal of comments on drilling causes the following sentence on broadcasting at half the rate to be confusing.

The amendment states that hydroseeding will include recommended fertilizers (pg. 3-16, paragraph. 4, sentence 5). Never mix seed and fertilizer in a slurry together because fertilizer salts can reduce seed germination by as much as fifty percent. The Permittee must clarify the related paragraph and not add fertilizers to the hydroseed slurry.

Findings:

The information provided in the amendment is not considered adequate to meet the minimum requirements of the regulations. Before approval, the Permittee must provide the following in accordance with:

R645-301-341.100 and R645-301-121.200, The Permittee must show that changes to the vegetation plan either pertain exclusively to the refuse pile or preparation plant, or provide supporting information on how those changes would result in an improved reclamation plan. Furthermore, the Permittee must clarify confusing paragraphs and sentences.

BONDING AND INSURANCE REQUIREMENTS

Regulatory Reference: 30 CFR Sec. 800; R645-301-800, et seq.

Analysis:

General

Determination of Bond Amount

The Division was unable to make a determination of the bond amount because the Permittee did not state where the 20,602 cubic yards of excess fill would be shipped during final reclamation. The Division will adjust the bond when that information becomes available.

Findings:

The information in the plan is adequate to meet the minimum requirements of this section of the regulations.

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